

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554
MAR 19 1999

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86-285

OFFICE OF
MANAGING DIRECTOR

Mr. Attila Kossanyi
WKTX Vice President
Nationality Broadcasting Network
178 N. Mecca St.
Cortland, Ohio 44410

Re: Request for Waiver of Regulatory Fee

Dear Mr. Kossanyi:

This is in response to your inquiry requesting a waiver of the regulatory fees for WKTX.

In establishing its regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. Thus, the Commission decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), reconsideration granted, 10 FCC Rcd 12759 (1995). The Commission further held that regulatees can establish financial need by submitting:

[I]nformation such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

10 FCC Rcd at 12761-2762.

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

You have submitted a Profit and Loss Statement for the first nine months of 1998, which establishes a compelling case of financial hardship. There was no deduction for amortization or depreciation and your profit and loss statement showed that your expenses exceeded your income. Under these circumstances, WKTX has

Mr. Attila Kossanyi

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established a pattern of financial losses constituting a compelling case of financial hardship and meriting a waiver of the FY 1998 regulatory fee.

The waiver, however, is limited to the FY 1998 regulatory fees. If WKTX continues to experience financial hardship, you may request waivers of the regulatory fees for FY 1999 and succeeding years supported by appropriate documentation.

If you have any questions concerning the regulatory fees, please call the Chief, Fee Section at (202) 418-1995.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Mark Reger", is written over the typed name.

Mark Reger
Chief Financial Officer

000000 BCB-98-090

Jerky



Classic Oldies

WKTX

September 15, 1998

FCC
Office of the Managing Director
1919 M. Street, N.W., Room 450
Washington D.C. 20554
attn: Regulatory Fee Waiver/Reduction Request

Dear Sirs,

I would respectfully ask that you review our financial status in regards to our 1998 regulatory fees so that WKTX may be given a Waiver of our 1998 regulatory fee.

Our year started with the President of the company needing a triple bypass as well as our Morning DJ and top sales person resigning on the same day. In April we decided to change formats which has proved to be a good decision, it was not an easy move. We have made great strides but have not been able to turn 9 months of losses into profits yet but next year looks to be good. You will see the following reports will show the financial trend with the new format which went on the Air in May, August we broke even. I have included all of the graphs so you can see for yourself.

We feel good about the future many of the other stations have been bought and merged this left a glut of unemployed salespeople that have joined us and brought their accounts with them. If you should need any additional information please don't hesitate to contact us.

Sincerely,

Attila Kossanyi
WKTX Vice President

Rec'd BCB
9/23/98

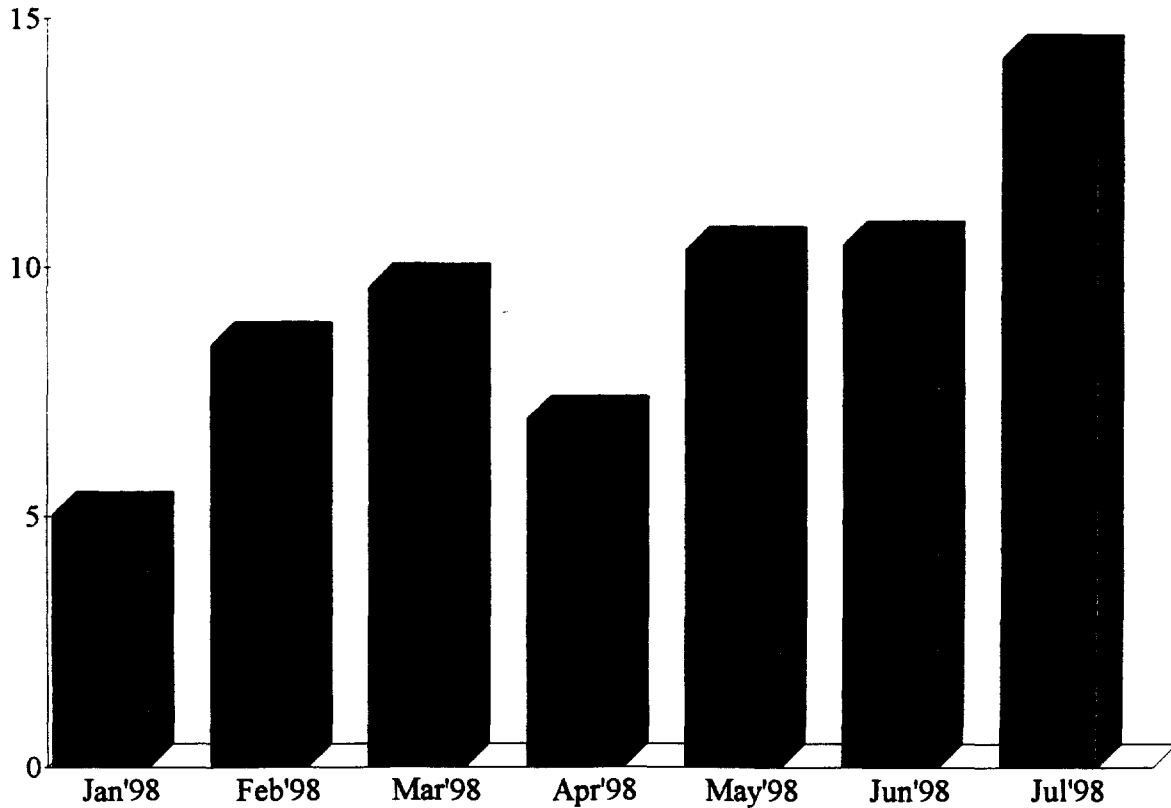
330/638-0830 Fax : 330/637-0830 nbn @ mail.multiverse.com

178 N. Mecca St. Cortland, Ohio 44410

Sales by Month Jan - Jul '98

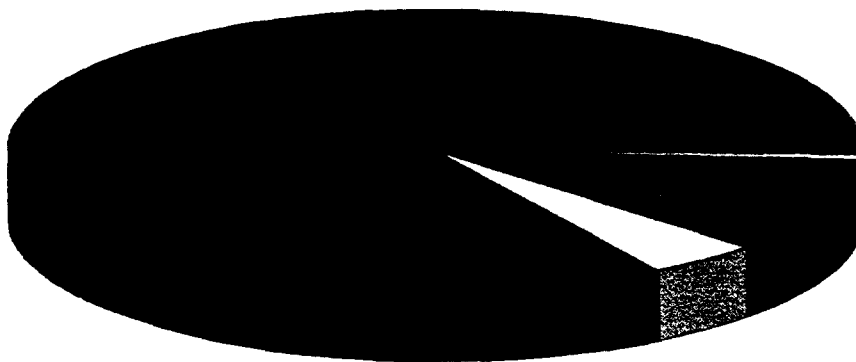
■ Dollar Sales

\$ in 1,000's



Sales Summary Jan - Jul '98

■ Radio Spots	%61.92
■ Producer	25.17
■ TV	4.48
■ Video	4.40
■ Advertising	3.87
■ Adjustment	\$-2,237.29
■ Agency Discou	\$-482.50
■ Greetings	0.19
■ Fee	0.02
Sub-Total	\$65,131.27



By Item

